

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1272  
ANSWERED ON:18.07.2014  
LOWER INTEREST RATES ON DEPOSITS  
Chandumajra Shri Prem Singh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the interest received on the amount deposited in banks has remained lower in comparison to higher price rise; and  
(b) if so, the details thereof during the last three years and the reaction of the Government thereto?

**Answer**

The Finance Minister (SHRI ARUN JAITLEY)

(a) and (b): The average domestic term deposit interest rates of all maturities offered by Public sector, Private sector and Foreign Banks during March 2012, 2013 and 2014 and the average Wholesale Price Index and Consumer Price Index for Industrial Workers during 2011-12, 2012-13 and 2013-14 are given below.

(per cent)

Average Term Deposit Interest Rates			
	Mar-'12	Mar-'13	Mar-'14
(i) Public Sector Banks	7.79	7.63	7.85
(ii) Private Sector Banks	7.49	7.35	7.67
(iii) Foreign Banks	6.96	6.87	7.56

Source: RBI

(per cent)

Inflation Rate			
	2011-12	2012-13	2013-14
Average Wholesale Price Index (WPI)	8.94	7.35	5.98
Average Consumer Price Index (CPI) (IW)	8.39	10.44	9.68

The average interest paid on term deposits by banks have been lower than the rate of inflation in the last three years. Interest rate on term deposits are deregulated by RBI and are decided by the banks themselves. Government and Reserve Bank of India have taken several measures to control inflation.